

Mr. Ken Western  
Arizona Republic  
P. O. Box 1950  
Phoenix, Arizona 85001

Dear Ken,

A recently printed editorial in the Arizona Republic calls to task the Counties' collective decision to appear in court in the tobacco lawsuit. Since a number of misperceptions may have evolved as a result, we take this opportunity to correct the record.

First, and foremost, when the Arizona Attorney General filed his amended Complaint on November 10, 1997, he added the brand new assertion that "The Attorney General...brings this action on behalf of the State and all political subdivisions of the State.." The Attorney General also warranted in the Settlement Agreement that he had the authority to settle and release all claims of the Counties.

One might ask, why would the Attorney General add "all political subdivisions" (i.e., the Counties) to the list of parties that he represented? Because State law requires him to

Keeping with this mandate the Attorney General, in the Complaint, asserted that he represented the Counties against "Big Tobacco" just as the Statute required him to do.

Did the Attorney General give the written notice to the counties as the law required.

No, he did not.

Not only did the Attorney General include Counties as listed PARTIES in the case without telling them, he agreed to a CONSENT DECREE and JUDGMENT that by its terms releases all County claims against the tobacco industry. That Settlement was signed by the judge on December 1<sup>st</sup> in a way that totally ties Counties' hands. Again, no notice was given to Counties.

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The Judgment and Settlement closes the door on Counties and other local jurisdictions to recover for their taxpayers. It specifies that Counties have released the tobacco industry from all past, present and future claims. It specifies that the Counties will not sue the tobacco industry. It specifies that if Counties do sue, the Settlement is a complete defense to any lawsuit. It specifies that if the Counties sued and won, the tobacco industry does not pay us anything and that the money to pay the Counties will have to come out of the State's Settlement dollars. The State is, in fact, indemnifying the tobacco industry from future liability to the Counties. It is obvious that Big Tobacco intends to give the State enough money to pay off the Counties' claims as well.

The Attorney General said in the Settlement Agreement that he had the authority, or would get it, to settle on the Counties' behalf... he absolutely did not. The law requires that the Board of Supervisors must consent to any settlement in a case involving the county, even when the Attorney General is representing Counties.

This case is not about 25% versus 32% of some settlement. Instead, it is about the realities of using enormous amounts of taxpayer monies to treat indigent patients in the Counties of this State who suffer from tobacco-related illness and disease. Who pays for this health care? Clearly, it is not solely an obligation of the State. Each of the fifteen Counties, and ultimately their taxpayers, bear a heavy burden that appears to have gone unnoticed.

The Settlement also stands to compromise the Counties' claims, both past and future, against the tobacco companies, but guarantees to pay Counties nothing.

The Attorney General's representatives have admitted that the State's claim for tobacco related illness damages was, at best, \$965 Million or some lesser amount. The State, as a Settlement, got \$2.88 Billion in what could be a perpetual payment scheme. There seems to be more than enough to fairly compensate the

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**Counties for the part of the burden that they have, and will continue, to shoulder in the treatment of tobacco related illnesses. We expect that Tobacco will take the position that it included in the settlement pot an amount to pay the claims of Counties, as well as the State.**

**Sincerely,**

**Janice K. Brewer, Chairman**  
**District 4**

**Andrew Kunasek**  
**District 3**

**Fulton Brock**  
**District 1**

**Mary Rose Wilcox**  
**District 5**

**Don Stapley**  
**District 2**